

Introduced by Senator Lowenthal

February 18, 2005

An act to add Section 44287.1 to the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 467, as introduced, Lowenthal. Carl Moyer Memorial Air Quality Standards Attainment Program.

Existing law establishes the Carl Moyer Memorial Air Quality Standards Attainment Program, which provides grants to offset the incremental cost of eligible projects that reduce oxides of nitrogen from heavy-duty mobile sources in the state. Existing law requires the State Air Resources Board to establish or update grant criteria and guidelines consistent with the program for covered vehicle projects.

This bill would require the state board to revise the grant criteria and guidelines to incorporate projects in which an applicant turns in a nonroad internal combustion engine vehicle or equipment that the applicant owns and which still has some useful life, coupled with the purchase of new electric equipment or a vehicle that is in a similar category or that can perform the same work. The bill would impose certain restrictions on the state board's evaluation of the cost-effectiveness of a project.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) Nonroad electric technologies and equipment, including,
2 but not limited to, electric forklifts and other lift trucks, airport
3 ground support equipment, industrial tow tractors, industrial
4 burden and personnel carriers, sweepers, scrubbers and
5 varnishers, and other small off-road equipment that replaces
6 similar internal combustion engine equipment produces a large
7 percentage reduction in criteria air pollutants, including
8 particulates, nitrogen oxides, and reactive organic gases, as well
9 as reductions in greenhouse gas emissions, and contributes to
10 increased fuel diversity and energy security.

11 (b) These nonroad electric technologies and that equipment
12 are, or should be, eligible for incentives under the Carl Moyer
13 Memorial Air Quality Standards Attainment Program (Chapter 9
14 (commencing with Section 44275) of Part 5 of Division 26 of the
15 Health and Safety Code) to the extent that they replace or
16 supplant more polluting technologies and equipment, both
17 existing and new.

18 (c) The State Air Resources Board has restricted eligibility for
19 some categories of electric technologies and equipment because
20 of concerns that in some instances applicants may be replacing
21 old electric equipment with new electric equipment, which may
22 not be producing significant emission reductions.

23 (d) One way for an applicant to demonstrate that it is replacing
24 existing internal combustion equipment with new electric
25 equipment is to turn in or “scrap” an older piece of internal
26 combustion equipment that it has owned and that still has some
27 useful life, and replace it with the purchase of new electric
28 equipment. This practice is generally referred to as “scrap and
29 buy” or “scrap and replace.”

30 (e) An applicant that replaces useful older internal combustion
31 equipment with new electric equipment creates two separate
32 streams of emission reductions, both of which should be counted
33 in this transaction: first, the transaction displaces the emissions
34 from the older equipment for its remaining life; second, the
35 transaction produces additional emission reductions representing
36 the difference between the purchase of new internal combustion
37 equipment and new electric equipment.

38 SEC. 2. Section 44287.1 is added to the Health and Safety
39 Code, to read:

1 44287.1. (a) The state board shall, at its first opportunity,
2 revise the grant criteria and guidelines adopted pursuant to
3 Section 44287 to incorporate projects in which an applicant turns
4 in a nonroad internal combustion engine vehicle or equipment
5 that the applicant owns and that still has some useful life,
6 coupled with the purchase of new electric equipment or a vehicle
7 that is in a similar category or that can perform the same work.

8 (b) When it evaluates the benefits of a project described in
9 subdivision (a), the state board shall count both of the following
10 emission reduction streams:

11 (1) The displacement of the emissions from the older
12 equipment for its remaining life with the new electric equipment.

13 (2) The displacement of emissions from new internal
14 combustion equipment meeting the emission standards in place at
15 the time, with the new electric equipment over its life.

16 (d) A project described in subdivision (a) shall meet the
17 cost-effectiveness criteria in Section 44283 and all other criteria
18 of the program.

19 (e) The incremental cost of a project described in subdivision
20 (a) may include, at the discretion of the applicant, some or all of
21 the reasonable salvage value of the nonroad equipment or vehicle
22 turned in, as determined by the state board, and some or all of
23 any additional costs incurred for necessary recharging equipment
24 or infrastructure as determined by the state board. However, an
25 applicant that elects to include these costs shall be required to
26 meet the cost-effectiveness criteria in Section 44283.